

Message Text

SECRET

PAGE 01 AMMAN 09571 220924Z
ACTION PM-03

INFO OCT-01 SS-14 ISO-00 INR-05 CIAE-00 NSAE-00 NEA-07
PRS-01 L-01 EB-03 NSCE-00 SP-02 SSO-00 INRE-00
/037 W

-----123625 220931Z /20

O P 220845Z DEC 77
FM AMEMBASSY AMMAN
TO SECSTATE WASHDC IMMEDIATE 4403
INFO AMEMBASSY JIDDA PRIORITY
SECDEF DSAA PRIORITY

S E C R E T AMMAN 9571

LIMDIS

E.O. 11652: GDS
TAGS: MASS, JO, SA, US, XF
SUBJECT: FMS FY 77 AND 78 CREDIT GUARANTEES

1. GENERAL BIN SHAKER CALLED MORNING DECEMBER 22 TO SAY THAT KING, AS RESULT HIS RECENT VISIT TO SAUDI ARABIA, HAD RECEIVED AFFIRMATIVE RESPONSE FROM SAUDIS REGARDING HIS REQUEST TO THEM TO GUARANTEE REPAYMENT OF PRINCIPAL ON FY 77 AND FY 78 FMS CREDIT IN TOTAL AMOUNT OF 150 MILLION DOLLARS.

2. BIN SHAKER SAID THAT PRINCE FAHD MAY BE COMING TO AMMAN OR PRIME MINISTER BADRAN TRAVELLING TO RIYADH IN NEXT WEEK. JORDAN HAS TEXT OF FY-77 LOAN AGREEMENT, BUT NOT ONE FOR FY-78 WHICH HE BELIEVES WILL BE NEEDED IN ORDER TO ARRANGE FOR SAUDI GUARANTEE.

3. WE ARE NOT CERTAIN OF STATUS OF FY78 CREDIT. WE KNOW BILL HAS BEEN PASSED AND ALLOCATION MADE TO JORDAN. COULD AGREEMENT TEXT BE FORWARDED BY TELEGRAM? IF JORDANIAN SIGNATURE REQUIRED, IT COULD BE OBTAINED HERE. WE HAVE EXAMINED STANDARD TEXT OF SAUDI GUARANTEE WORKED OUT LAST
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YEAR WITH SAMA AND WONDER WHETHER WITH A FEW MODIFICATIONS IT COULD NOT BE MADE APPLICABLE TO AGREEMENTS FOR BOTH YEARS. COULD THIS BE DONE ANTICIPATORY TO SIGNING OF FY 78 CREDIT? WOULD BE GRATEFUL FOR EARLY REVIEW OF THIS PROBLEM AND RESPONSE. DEPARTMENT WILL RECOGNIZE PROBLEMS WE HAVE HAD OVER THE YEARS IN WORKING OUT A STANDARD APPROACH TO THESE GUARANTEES AND OPPORTUNITY WHICH KING'S HAVING RAISED GUARANTEE

OF TWO LOANS PRESENTS TO AVOID SUCH PROBLEMS FOR SOME TIME
IN THE FUTURE.

4. ON A RELATED SUBJECT, WE BELIEVE, GIVEN ABOVE DEVELOP-
MENTS, THAT IT IS EVEN MORE NECESSARY THAN BEFORE TO TRY TO
GET SAUDIS TO USE TRUST FUND ACCOUNT TO PAY ANY DELIQUENT
PAYMENTS FOR WHICH THEY ARE GUARANTOR. THIS IN TURN IN
THE FUTURE SHOULD MINIMIZE OUR ROLE IN CONSTANTLY HAVING TO
PROD THEM TO PAY. WE THINK JIDDA'S QUESTION
IN RECENT CABLE ON THIS POINT SHOULD BE RESPONDED TO
POSITIVELY.
PICKERING

SECRET

NNN

Message Attributes

Automatic Decaptioning: Z
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Concepts: CREDIT, CREDIT GUARANTEES
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Dec-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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TAGS: MASS, JO, SA, US, XF
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